

**DEPARTMENT OF HEALTH AND FAMILY SERVICES
DIVISION OF HEALTH CARE FINANCING
ADMINISTRATOR'S MEMO SERIES**

NOTICE: 03-08

DATE: November 24, 2003

DISPOSAL DATE: Ongoing

RE: Workload Savings
Estimates for Income
Maintenance – Funding for
Calendar Year 2004 and 2005

To: County Departments of Human Services Directors
County Departments of Social Services Directors
Tribal Chairpersons/Human Services Facilitators
Tribal Economic Support Directors

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Division of Health Care Financing

PURPOSE

This memorandum provides a comprehensive explanation of the workload savings for Income Maintenance (IM) incorporated in the 2003-05 state budget. The following describes how each initiative impacts the work conducted by IM workers and the date it was implemented or is planned for implementation.

BACKGROUND

Our goal is to find the right balance between funding and workload in the fiscal environment facing the state. While the base IM allocation was adjusted to fund new programs, such as BadgerCare in 1999, and to shift \$21.2 million from the Wisconsin Works (W-2) to the IM contracts effective January 1, 2002, there has been no change to the base IM allocation to recognize shifts in caseload. After steep declines in both Medicaid and Food Stamp participation in the mid-to-late 1990s, the Family Medicaid/BadgerCare caseload has doubled since 1997 and the Food Stamp caseload is almost back to the level of the mid-1990s. We continue to see significant growth in the unduplicated caseload, which includes Food Stamp, Medicaid, Child Care and W-2 cases in the Client Assistance for Re-employment and Economic Support (CARES) system. The statewide unduplicated caseload has increased by 42 percent over the last two years, from 213,060 in June 2001 to 302,199 in September 2003.

Also over the past several years, the Department of Health and Family Services (DHFS) has made significant changes in policy, other program requirements and automated support to reduce the work associated with IM cases in order to achieve a better balance between workload and funding. Examples are the option for a Medicaid mail-in application and cutting the reviews per year in half for Family Medicaid and BadgerCare. There were no funding reductions taken as these changes were implemented.

The reduction in IM funds for 2004-05 reflect real workload savings in the form of increased automation and improved support for eligibility workers. In prior years, many resources were

devoted to implementing new programs, such as W-2, BadgerCare and SeniorCare. These resources are now being applied to systems improvements and other efforts to streamline program administration and improve payment accuracy. These changes will reduce the time IM workers spend determining eligibility and maintaining open cases, resulting in reduced costs per case.

WORKLOAD REDUCTION INITIATIVES FOR 2004

These are the specific changes, with effective dates, factored into the savings estimate for 2004:

1. Automatic update of SSI (January 2003). With this change, workers no longer need to review SSI data exchange reports and enter the SSI income amount into CARES. It is now a fully automated process.
2. Data Exchange improvements (March 2003). With these improvements, workers receive fewer data exchange dispositions to complete and data exchanges are more finely targeted to situations that have a direct impact on the client's eligibility and/or benefits. In addition, data exchange screens in CARES have been changed to make the information that appears on them easier to read and use.
3. Alerts improvements (April 2003). This will save worker effort associated with irrelevant and ambiguous alerts.
4. Change driver flows (June 2003). With this change, workers no longer have to search for all of the screens that need to be changed to process a change in address, unearned income or earnings.
5. Earned income calculation (June 2003). CARES now handles the routine calculations associated with determining monthly earnings based upon the hours worked, pay per hour and number of pay periods in a month. Workers no longer have to do these calculations outside of CARES and no longer have to document their efforts in case comments in CARES for quality control purposes.
6. Food Stamp policy change on real property/reduced verification for assets (May 2003). Workers no longer need to collect, photo copy and record verification of assets for Food Stamp program applicants and recipients.
7. Elimination of the 100-Hour Rule (July 2003). Workers no longer have to collect and enter into CARES the number of hours worked by the primary wage earner in AFDC-Medicaid cases in the current and previous two calendar months.
8. Notice Redesign Phase II (September 2003). We no longer print text on notices to customers that describes ineligibility in a program that the applicant did not request. In November, we will roll together our current 39 Medicaid subprogram texts into five categories: Long Term Care, Family/BadgerCare, Elderly, Blind and Disabled, Medicare Premium Assistance and Limited Benefit Medicaid. Together, these changes will reduce the size of the notice making it easier for clients to read and understand. With a more understandable notice, clients will make fewer phone calls to their workers asking them to explain their notices of decision.

9. Automated Case and Caseload Management Tools (September 2003). Workers and their supervisors now have direct access to automated information about their cases to help them organize their workload in the most efficient way.
10. Automatic Update and Processing of New Hire Information (September 2003). When a new hire report is received from the Department of Workforce Development's automated system, CARES will send out a new job report form to the client, create an employer record in CARES and track whether the verification is returned timely. This will reduce the workload associated with reviewing all new hire match records, entering a new employer record in CARES, sending out verification to the client, and tracking whether that verification is received in a timely fashion.

Change centers are another option for reorganizing how work is done to achieve efficiency. At least five different models are now in operation in Wisconsin. A separate letter will be prepared to describe the model and their advantages and disadvantages.

The total impact of these changes is a savings estimate for the 2004 IM contracts of about \$4.9 million GPR.

WORKLOAD REDUCTION INITIATIVES FOR CALENDAR YEAR 2005

The specific changes and due dates factored into the savings estimate for 2005 are:

1. Food Stamp Program semi-annual reporting (automating the review process with a pre-printed review form) (July 2003). Although this change will be phased in over 18 months, workload will be reduced because of the changes made in Phase I. Phase I revised the policy about change reporting for food stamps, eliminating the need to report changes that do not effect eligibility. For instance, a client must only report changes in income that will increase the food group's total income above the 130 percent of poverty gross income limit. This change will mean that workers have fewer changes to process for food stamps. In Phase II, we will be shifting from a six-month review period for most food stamp cases to a 12-month review cycle. We will require the client to complete a Semi-Annual Report Form in lieu of a six-month review. So, beginning in 2004, the number of food stamp reviews that workers must handle will be reduced by 50 percent.
2. Automatic updates from other trusted third party sources (Fall 2003 – Summer 2004). As we continue to implement automatic updates and re-engineer existing data exchanges to be more effective and efficient, we will see a continuing reduction in workload associated with these data exchanges. We are considering automatically updating Social Security benefits, child support information from the KIDS system and death information from DHFS' Vital Statistics database.
3. Web-based user interface for CARES (September 2004). This project is the first phase of a larger project to move all of the user interface for CARES from the mainframe to the web. In the first phase, we will be moving Client Registration and Application Entry screens to the web. Instead of using the CARES mainframe screens with PF-keys and reference tables, CARES data entry and query will be done through the Internet using web-based screens. The new interface will use an intelligent driver flow process that limits the information needed to the data necessary to determine eligibility based upon the program(s) requested and the type of case (family, elderly, disabled, etc.) This new interface between the human user and CARES will be a more user-friendly, intuitive system for entering and querying data. Navigation, data entry (pull down menus, etc.)

and help screens will be much easier to use and understand. The Intelligent Driver Flow will reduce the amount of information (and verification) that workers are asked to collect and enter.

4. Online Handbooks connected to the web-based user interface (September 2004). The Medicaid and Food Stamp program handbooks, as well as other process descriptions, will be available through the internet and will be connected directly to the CARES web-based user interface. Workers will no longer need to maintain a paper handbook. Workers will no longer need to search for the appropriate policy associated when processing a case using CARES or answering a customer's question.

The total impact of these changes is an additional savings estimate for the 2005 contracts of about \$1.9 million GPR.

WORKLOAD SAVINGS ASSUMPTIONS

We have placed the charts that were used to calculate the workload savings on the Income Maintenance Advisory Committee (IMAC) web site under the "Supporting Documents" header.

The number and type of cases impacted is shown for each item. The estimate of savings associated with these changes were made by:

1. Determining the number of cases involved (looking at data from March 2002 through March 2003);
2. Determining how many times a particular action (application, review, change, other) took place for that type of case (looking at data from March 2002 through March 2003); and
3. Consulting with experienced county and state staff to estimate time saved for each case type. DHFS staff worked closely with the IMAC Information Technology Subcommittee to assure that the estimates of time saved are reasonable.

Timing was also a consideration. There was no estimate of savings for changes implemented prior to January 2003. Savings expected in 2004 are based on changes fully implemented between January and September 2003. Savings estimates for 2005 are based on changes fully implemented between October 2003 and September 2004.

Worker costs are based on the same assumptions used to set up the base allocation for the smallest IM agencies – \$24 per hour for 2004 to cover salary and fringe benefits as well as infrastructure, overhead, supervision, management and clerical support, with a 2 percent cost of living adjustment for 2005.

In addition to the changes described above, there are other workload saving measures that will be implemented this year and next to help ease workload that are not factored into the estimate of budget savings for 2004. These include some big changes, such as:

- Reduced reporting of changes in the Food Stamp Program – as of August 2003.
- Creation of the Customer Self Service Toolbox that will permit customers to self-screen for Food Stamps and Family Medicaid eligibility and to submit the application electronically, so that it is queued up in a worker's in-box without requiring data entry. We expect customers to access the web in their homes, through their friends and families, and at public Internet

sites (libraries, Internet cafes, etc.). As part of the Food Stamp Program Participation Grant that is funding this initiative, we have set aside funds to set up demonstration sites including food pantries and grocery stores. We will use these demonstrations to evaluate the effectiveness of the self service tools and modify them if necessary based on this information.

- Starting work on a project for scanning documents and electronic case records.

The status of all of the Workload Reduction Initiatives can be found at the DHFS web site as part of the IMAC materials. (<http://www.imac.state.wi.us>) under the supplemental materials section.

WORKLOAD AND FUNDING

We recognize that there are other forces that create more work, such as a change to verification requirements for BadgerCare that will be effective in January 2004 that was included in the 2003-05 budget without any additional funding. We are looking for ways to handle this function centrally to minimize work for local agencies. We are beginning the planning for a set of waivers to make it easy and attractive for SSI recipients to enroll in the Food Stamp program, in a way that minimizes work for local agencies. We will work with the Program and Policy Coordination Subcommittee of the IMAC on this project. Please see the IMAC website for committee charters, membership and meeting notes.

While we realize that not all of these changes will have an equal impact upon all agencies, it is the Department's goal to reduce workload demands for individual workers where it is possible to do so, without compromising the quality of services to customers. We welcome your continued input and your ideas for other ways to reduce local workload and costs.

For the future, DHFS is committed to working with the Wisconsin Counties Human Services Association on the ideas laid out in the "Visions" Proposal, including ideas for restructuring the IM allocation to be more closely tied to workload and to shifts in caseload. The Workload and Financing Subcommittee of the IMAC to DHFS will take the lead to develop ideas for this.

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